

## **ABSTRACT**

The Corporate Sustainability Reporting Directive (CSRD), which came into effect on 1st January 2023 is a new regulation that replaces the Non-Financial Reporting Directive (NFRD). It aims to make social and environmental reporting standardised and high-quality through expanding its scope to cover more large companies and listed SMEs, and also by requiring the assurance on sustainability information. The CSRD is based on the digital taxonomy for sustainability data that is introduced to achieve the purpose of consistency, relevance and accessibility. This thesis is concerned with the ways SMEs could get acquainted with the CSRD's requirements through interviews, literature reviews, and desk research. Strategies that will be implemented include: knowing the directive's scope and timeline, learning about European Sustainability Reporting Standards (ESRS), and assessing the current ESG data collection and reporting systems. Through the process of gap identification and filling, SMEs can improve their data quality and governance in accordance with the CSRD and contribute to the European Green Deal's objectives.

Keywords: CSRD, NFRD, Small or Medium-Sized Enterprise, ESRS, Non-financial Reports